



## The Medicare Map . . .

*Helping you and your clients navigate the Medicare Maze*

### Health Savings Accounts (HSAs) and Medicare *Avoiding Missteps and Penalties*

If you have clients with HSAs that will soon be eligible for Medicare, it is important they have a clear understanding of their options and ramifications if they don't get it right.

A HSA combines a high-deductible health plan (HDHP) with a tax-free health savings account to which an employee and employer can contribute. **\*IRS rules state you cannot be enrolled in Medicare (Part A or B) and continue contributions to a HSA.** Does that mean no more contributions at age 65? Not necessarily.

This is where each individual's situation must be reviewed and taken into consideration. HealthCare Benefit Services can answer questions, guide clients through their options, and help avoid the 6% excise tax penalty. Here's a sample of what we help those with HSAs navigate:

- Do I have to enroll in Medicare at age 65 if I have insurance through my employer (or my spouse's employer)?
- Should I delay enrollment in Medicare so I can continue contributing to a HSA?
- I receive Social Security and will be automatically enrolled in Medicare
- How to avoid HSA tax penalties before you apply for Social Security and/or Medicare
  - Consequences of Medicare backdating Part A up to 6 months

This short article is a good resource to share:

<https://www.medicareinteractive.org/get-answers/coordinating-medicare-with-other-types-of-insurance/job-based-insurance-and-medicare/health-savings-accounts-hsas-and-medicare>

\*A bill pending in the House would allow contributions to HSAs if enrolled in Medicare. Unfortunately, you no longer would be able to pay Medicare premiums from a HSA without penalty.

NOTE: HSAs are not "use it-or lose it" accounts. Although individuals enrolled in Medicare are no longer eligible to make HSA contributions, they can continue to take tax and penalty-free distributions for *qualified* medical expenses. And certain Medicare premiums can be paid, while others (ie. Medicare Supplement premiums) are not qualified.

### **Referring Clients To HBS . . . How We Support Advisors and Help Their Clients**

- We represent all plans (Medicare Supplement, Drug Plans, and Medicare Advantage), and all major companies
- Our process is thorough, no obligation and no pressure
- We're available to conduct Medicare seminars for your clients

### Getting Started with MEDICARE

HBS can assist you with enrolling in Medicare whether you're joining at age 65 or older (coming off employer coverage). There is **no** cost or obligation for the services provided by the team of Medicare Specialists at HBS.

**STEP 1 Contact HealthCare Benefit Services . . . a local firm in Littleton**

Due to Medicare rules, you **must** initiate contact with HBS by

- o Email: [advisors@medicarehbs.com](mailto:advisors@medicarehbs.com) ☑
- o Calling the office: 303-973-6636 ☑
- o Completing forms on their website: [medicarehbs.com](http://medicarehbs.com) and clicking on the "How To Get Started" tab

**STEP 2 Appointment to Review ALL Your Options**

An experienced Medicare Broker will prepare a thorough analysis of **ALL** the plans and options you are entitled to

- o They'll review detailed plan information and help guide you to the best plan for you
- o They offer flexible meeting options
  - A very simple Screen Share process; you just have to be able to open an email ☑
  - In person meetings at their office in Littleton ☑ you can meet at your financial advisor's office


**STEP 3 Enrolling in Your Plan**

HBS utilizes a streamlined electronic application process to submit your plan application. Their office will monitor your application and call you once you're enrolled and let you know when to expect your new insurance cards.

**STEP 4 Ongoing Customer Service**

The HBS support staff has more than 15 years of Medicare experience

- o They answer their phones - no phone tree
- o Every Fall HBS will send you a newsletter about Medicare's Annual Enrollment Period (October 15 to December 7<sup>th</sup>), and reviewing your plan
- o This annual review can save you \$100s to \$1000s per year on your medications

[Medicarehbs.com](http://Medicarehbs.com)    HealthCare Benefit Services   303-973-6636

- We are NOT your competition - Medicare and Long Term Care are all we do

Click on the "Getting Started with MEDICARE" flyer to print and share the steps of working with HBS.

To learn more about our process, visit [our website](http://our website) or call our office 303-973-6636.

**Feel free to forward The Medicare Map monthly newsletter to other advisors you think would benefit from the services of Tammy and her team.**



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